

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**UNSTARRED QUESTION NO. 2539
TO BE ANSWERED ON 12.03.2018**

TAX FREE GRATUITY

†2539. SHRI AJAY MISRA TENI:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government proposes to exempt the gratuity upto 20 lakh being paid to employees in the organized sectors from income tax;**
- (b) if so, the details thereof;**
- (c) the number of employees likely to be benefited thereby, State/UT-wise;**
- (d) whether the Government is considering to implement a scheme to benefit the persons employed in the unorganized sector in future; and**
- (e) if so, the details thereof?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) & (b): At present, there is no such proposal under consideration of the Government.

(c): Does not arise in view of the reply to parts (a) and (b) of the Question above.

(d) & (e): It has been the constant endeavour of the Government to ensure that the unorganised workers get social security benefits as available to the workers in the organised sector. With this objective, the Government is implementing the Unorganised Workers' Social

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Security Act, 2008. The Act stipulates formulation of suitable welfare schemes for unorganised workers on matters relating to life and disability cover, health and maternity benefits, old age protection. Various Ministries/Departments of the Central Government are implementing such social security schemes like Indira Gandhi National Old Age Pension Scheme; National Family Benefit Scheme; Health & Maternity Benefit Scheme. In addition to the above welfare schemes, the Central Government has recently converged the social security schemes of Aam Aadmi Bima Yojana (AABY) with Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) to provide life and disability coverage to the unorganised workers for the age group of 18 to 50 years depending upon their eligibility. The annual premium is shared on 50:50 basis by the Central Government and the State Governments. The converged schemes give coverage of Rs.2 lakhs on death at premium of Rs.330/- per annum and coverage of Rs.2 lakhs on accidental death and disability at premium of Rs.12 per annum, besides disability benefit as per scheme. These converged schemes are being implemented by the Life Insurance Corporation of India.
